

● COMBINED CAPEX GROWS 22%

CPSEs meet 75% of FY24 capex target in Apr-Dec

State-run firms, railways, NHAI invest ₹5.51 trillion

PRASANTA SAHU
New Delhi, January 12

THE CENTRAL PUBLIC sector enterprises (CPSEs) and other government agencies such as the National Highways Authority of India (NHAI) and the railways have invested ₹5.51 trillion or 75% of their combined FY24 capital expenditure target during the April-December period.

On an annual basis, these entities' capex grew by a robust 22.4% in the first nine months of the current financial year. The corresponding growth in the year-ago period was 19.3%. The capex target for the CPSEs and other agencies was set at ₹7.33 trillion for FY24 against ₹6.62 trillion in FY23.

The data pertains to select CPSEs having an annual capex target of ₹100 crore and above as well as other government organisations.

Thanks to robust public capex, investment demand grew by 11% in



CAPEX BY CPSEs, GOVERNMENT AGENCIES
April-Dec (₹ trn)



the second quarter compared with 8% growth in the first quarter of FY24. The investment rate (GFCF as a percentage of GDP) also inched higher to 35.3% compared with 34.2% a year ago.

This was supported by higher capital expenditure at both the Central and state government levels as well as state-run entities/agencies. Against

the target of ₹10 trillion, the Centre's capex has reached 58.5% in April-November of FY24.

Capital expenditure by state governments surged by 56% on year in the first half of the current financial year compared with just a 2% rise in the year-ago period, supported by capex loans from the Centre.

The railways and NHAI, with sub-

stantial budgetary support, as well as petroleum CPSEs are the largest public-sector investors that play a catalytic role in crowding capex from other entities.

The capex of railways estimated to be ₹2.6 trillion and NHAI's at ₹1.62 trillion are almost fully funded from the Budget in FY24.

The advance estimates of national income for FY24 released by the National Statistical Office (NSO) recently showed that gross fixed capital formation would rise to close to 35% of the GDP from 34% in FY23 and 32.7% in FY22. This reflected the continued momentum in public capex and a moderate revival of the private capex cycle.

However, there are questions about whether the Centre can continue with the same capex pace in FY25, given the urgency of fiscal consolidation. Some analysts feel the Centre's Budget capex for the current fiscal may be missed by small to significant margins as the spending might slow ahead of the approaching Parliament elections.

Buoyant tax collections are what the government pins hopes on, when it comes to sticking to the glide path of fiscal consolidation.



businessline.

SATURDAY - JANUARY 13, 2024

Disinvestment dividend

Centre should capitalise on PSU turnaround

Central Public Sector Undertakings (PSUs) have been delivering an unexpected bounty to the exchequer in recent times. Their dividend payouts have been overshooting targets, even as the Centre's disinvestment proceeds have been stalling. This newspaper recently reported that dividend receipts from central PSUs topped ₹59,000 crore both in FY22 and FY23 against budget estimates of ₹43,000 to ₹46,000 crore. Disinvestment proceeds for the same years, at about ₹13,500 crore and ₹35,200 crore, respectively, were way below targets.



Trends in FY24 are similar, with disinvestment receipts barely topping ₹10,100 crore so far, even as dividends at ₹43,843 crore are already ahead of the target. Rising dividend payouts are the direct result of a material improvement in the profitability of PSUs, with the BSE PSU index constituents seeing their profits expand over 150 per cent between FY18 and FY23. While the economic rebound post-Covid provided tailwinds to cyclical businesses, deleveraging, planned capex and order flow from the Centre's infrastructure and Make in India initiatives have added to this. The stock markets have taken note, with the BSE PSU index returning 37 per cent annualised in the last three years compared to the Sensex's 14 per cent. While the Centre may be tempted to put disinvestment on the back-burner to enjoy this dividend bounty, this is actually an opportune time to give the programme a fresh lease of life.

The Centre should consider two interventions to ensure that the recent shift in investor perception of PSUs sustains. A key reason why stock market investors have traditionally shied away from PSUs is the lack of visibility on their long-term business plans. Of late, government announcements of investment and renewal plans for defence and the railway PSUs have offered such visibility and driven a sharp re-rating of these stocks. To retain these gains, the Centre needs to follow through on its announcements. PSUs in sectors such as oil and gas and banking would also benefit from similar long-term roadmaps. While PSUs have been anointed Maharatnas and Navaratnas on paper, their actions suggest that they are still attached to the apron strings of their promoter. To change this, PSU Boards need to be granted true operational and strategic autonomy. The latest Excellence Enablers report noted that large PSUs had demonstrated improved governance in terms of larger and more diverse Boards and more independent directors in 2023. But PSU appointment policies need to be tweaked to ensure more skin in the game for top managers.

Governments at the Centre have looked at PSU disinvestment as a last resort to raise revenues for the Budget. Private sector promoters have perfected the art of timing their public offers and Offers for Sale to fetch the best possible valuation for the seller. None of them divest stakes in a sector downturn just to meet a deadline. The government needs to be market-savvy and keep disinvestment out of the annual Budget exercise.

Gujarat to invest ₹2 trillion in green hydrogen

ABHINAY KUMAR
Gandhinagar, January 12

GUJARAT CHIEF MINISTER Bhupendra Patel on Friday announced a budget corpus of ₹2 trillion and a special land policy in order to achieve the goal of the state becoming a global green hydrogen production hub.

The announcement was made on the concluding day of the three-day Vibrant Gujarat Global Summit.

Addressing the event, Patel said: "Prime Minister Narendra Modi has set the target of achieving 50% of energy requirements

through non-fossil fuel-based energy sources. He has also set a target to develop a green hydrogen production capacity of 5 million tonne per annum by 2030. With the vision to help India achieve that target, the Gujarat government is announcing a production capacity of 3 million tonne per annum by the same time."

"To achieve this ambitious target in time, the state gov-

ernment is allotting a budget corpus of ₹2 trillion for green hydrogen production. A land area of 200,000 hectare in Kutch and Banaskantha districts has also been allocated by the state government," he added.

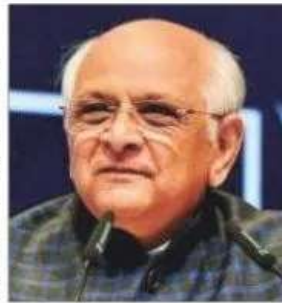
Speaking on the occasion, VK Saraswat, member, NITI

Aayog, said: "We need to reduce the cost of electrolyzers by around 80%, and simultaneously, we will need to increase their efficiency by around 75%... For any energy source to be sustainable and affordable to Indian consumers, it is necessary that

it be available at a price range of around ₹2 per unit."

Patel highlighted that MoUs for 41,299 projects with investment proposals worth ₹26.33 trillion were signed during the 10th edition of the Vibrant Gujarat Global Summit 2024. Patel made the announcement in a post on X as the three-day summit ended.

(With inputs from PTI)





MAHANAGAR GAS INCORPORATES MAHANAGAR LNG



MAHANAGAR GAS ON Friday announced the incorporation of Mahanagar LNG, its joint venture with Baidyanath LNG, the first company to set up LNG retailing outlets in India. The JV firm will focus on developing LNG infrastructure and cater to the rising demand for clean and sustainable energy solutions for the transportation segment.

FINANCIAL EXPRESS
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Oil price up 3% after US, Britain strike on Houthis

ENS ECONOMIC BUREAU @ New Delhi

OIL prices in the international market on Monday rose more than 3% on Friday as the US and Britain carried out strikes on Houthi military targets in Yemen.

Brent Crude Price, the benchmark of crude price in international market, was trading at \$79.74 a barrel, up by 3.04% or \$2.35 while WTI Crude was trading at \$74.31 up by 3.18% or \$2.29 at 7.25 PM (Indian Standard Time) on January 12, 2024. Both benchmarks were on



course for a second straight weekly rise.

The US and the UK attacked the Houthi military in response to attacks by the Iran-backed

group on shipping in the Red Sea. The conflict raised concern of broader conflict in the Middle-East that could disrupt oil supply from the region. As per energy analysts, if the Strait of Hormuz impacted, it will present over double the impact of the Ukraine war on oil market. The Houthi attacks in the Red Sea have disrupted international commerce on the key route between Europe and Asia, which accounts for about 15% of the world's shipping traffic.

The Houthis have attacked commercial vessels in the Red

Sea to show support for Palestinian militant group Hamas.

Meanwhile, US President Joe Biden said the targeted strikes were a clear message that the US and its partners will not tolerate attacks on its personnel or "allow hostile actors to imperil freedom of navigation". A Houthi spokesperson said the group will continue to target shipping heading towards Israel. Shipping giant Maersk and others are diverting vessels away from the Red Sea, warning customers of further disruptions.

‘We’ve tackled global challenges well to ensure fuel availability’

QUITE A FEAT. India is the only country where prices at bunker level have come down, says Puri

Our Bureau
New Delhi

India has ensured availability of petrol and stability in prices while “navigating” global challenges “quite well”, Union Minister for Urban Affairs, Housing, Petroleum and Natural Gas, Hardeep Singh Puri, said on Friday.

The Minister also indicated that there may not be any immediate price cuts by oil marketing companies (OMCs).

He did not directly answer if there would be a price cut in retail prices of diesel and petrol, but categorically mentioned oil marketing companies had not raised retail prices previously when there were under-recoveries.

‘NOT IMMUNE’

According to him, India is perhaps the only country in the world where petrol prices at bunker levels have gone down.

But with crisis in the Red Sea, there is a shoot-up in insurance and freight costs. Nearly, 85 per cent of India’s daily petrol and diesel con-



ADDRESSING CONCERNS. Union Minister Hardeep Singh Puri talking to media at a press conference, in New Delhi PTI

sumption of 5 million barrels are met from imports, and as such the sector is not immune from global events and their shocks.

“The global situation remains ever changing. We heard reports of an oil bunker being seized by a country. The Red Sea crises continues. So the freight and insurance costs are shooting up. Now in a situation like this we have maintained stability. Also you have to give credit to the fact that India is the only country in the world where petrol

prices at bunker level have come down,” Puri said.

ST NIKOLAS’ SEIZURE

Reports suggest that Iran seized a tanker with Iraqi crude destined for Turkey on Thursday in retaliation for the confiscation last year of the same vessel and its oil by the US. The seizure of the Marshall Islands-flagged St Nikolas coincides with weeks of attacks by Yemen’s Iran-backed Houthi militias targeting Red Sea shipping routes.

According to the bureaucrat-turned-politician, making mid-to-long term strategies look difficult when the situation changes with in a matter of days.

VOLATILE SCENARIO

“The picture at beginning of the week and by the end of the week changes (drastically). So calling for policy decisions based on such an ever changing scenario is not easy,” Puri said.

Retail prices are determined by a multitude of factors like global crude oil prices, cost of insurance and freight, refining margins and taxes by the Central and state governments. Puri mentioned that the start of petroleum production from the ONGC’s deep-water block in the Bay of Bengal, off the coast of the Krishna-Godavari basin.

“You must appreciate that whatever be the situation, we (India’s government) always ensured availability and affordability for petrol and diesel,” he said adding that any change in retail prices will continue to be based on global market and other related factors.

तेल उत्पादन

आत्मनिर्भर भारत के लिए स्वदेशी तेल उत्पादन जरूरी

भारत अपनी तेल आवश्यकताओं के लगभग 85 प्रतिशत हिस्से का आयात करता है। इस पर बड़ी मात्रा में विदेशी मुद्रा खर्च होती है तथा वित्तीय घाटे में भी बढ़ोतरी होती है। ऐसे में कृष्णा-गोदावरी बेसिन से तेल उत्पादन का प्रारंभ होना एक महत्वपूर्ण परिघटना है। प्रधानमंत्री नरेंद्र मोदी ने इस उत्पादन की प्रशंसा करते हुए उचित ही कहा है कि यह भारत की ऊर्जा यात्रा में उल्लेखनीय कदम है तथा इससे 'आत्मनिर्भर भारत' अभियान को गति मिलेगी। जिस प्रकार देश के लिए सीमा सुरक्षा अहम है, उसी प्रकार खाद्य और ऊर्जा के क्षेत्र में भी सुरक्षा सुनिश्चित करना आवश्यक होता है। कृष्णा-

गोदावरी बेसिन में तेल भंडार से तेल निकालने का काम शीघ्र ही प्रारंभ हो जायेगा। बीते दिनों नयी खोज से पहली बार तेल निकालने की घोषणा हुई है। इस बेसिन में कच्चे तेल और प्राकृतिक गैस की भारत की सबसे बड़ी कंपनी ओएनजीसी की बड़ी परियोजना चल रही है। चार तेल कुओं से इस वर्ष जून तक हर दिन 45 हजार बैरल तेल निकालने का लक्ष्य रखा गया है। आकलनों के अनुसार, इस आपूर्ति से देश के तेल और गैस उत्पादन में सात फीसद की

बढ़ोतरी होगी। बड़े तेल और गैस उत्पादक देशों के साथ भारत के अच्छे संबंध हैं, इसलिए आपूर्ति को लेकर कोई समस्या नहीं है, पर अगर देश में उत्पादन और शोधन का दायरा बढ़ेगा, तो हम आयात खर्च में बचत को अन्य आवश्यक मदों में खर्च कर सकते हैं। उल्लेखनीय है कि कृष्णा-गोदावरी बेसिन में 26 कुएं हैं, जिनमें से चार चल रहे हैं। इनसे प्राकृतिक गैस का भी उत्पादन हो रहा है। यह उपलब्धि ऐसे समय में हासिल हुई है, जब वैश्विक स्तर पर ऊर्जा संकट गहराने तथा आपूर्ति श्रृंखला के बाधित होने की आशंकाएं बढ़ती जा रही हैं। सरकार ने 2030 तक देश की तेल आवश्यकताओं के 25 प्रतिशत हिस्से की आपूर्ति घरेलू उत्पादन से करने का महत्वाकांक्षी लक्ष्य निर्धारित किया है। इस लक्ष्य की पूर्ति की दिशा में बेसिन का अहम योगदान होगा।

कृष्णा-गोदावरी बेसिन के चार तेल कुओं से इस वर्ष जून तक हर दिन 45 हजार बैरल तेल निकालने का लक्ष्य रखा गया है। आकलनों के अनुसार, इस आपूर्ति से देश के तेल और गैस उत्पादन में सात फीसद की बढ़ोतरी होगी। उल्लेखनीय है कि भारत अपनी तेल आवश्यकताओं के लगभग 85 प्रतिशत हिस्से का आयात करता है।

ग्रीन एनर्जी

हरित हाइड्रोजन उत्पादन को लेकर प्रोत्साहन के लिए रिलायंस ग्रीन, एसीएमई समेत नौ कंपनियों का चयन

हरित हाइड्रोजन के उत्पादन के लिए कारखाना लगाने को सरकारी प्रोत्साहन के लिए नौ कंपनियां सफल बोलीदाता के रूप में उभरी हैं। इसमें रिलायंस ग्रीन हाइड्रोजन एंड ग्रीन केमिकल्स, एसीएमई क्लीनटेक सॉल्यूशंस और ग्रीनको जीरो शामिल हैं। सार्वजनिक क्षेत्र की सोलर एनर्जी कॉर्पोरेशन ऑफ इंडिया (सेकी) ने 10 जुलाई को 4,50,000 टन हरित हाइड्रोजन के उत्पादन को लेकर इकाई स्थापित करने के लिए हरित हाइड्रोजन उत्पादकों के चयन हेतु बोलियां आमंत्रित की थीं। यह बोली हरित हाइड्रोजन की ओर बदलाव के लिए रणनीतिक हस्तक्षेप (साइट) योजना के तहत मंगाई गई थी। सेकी के बयान के अनुसार 4,50,000 टन की प्रस्तावित क्षमता के मुकाबले 5,49,500 टन हरित हाइड्रोजन के उत्पादन को लेकर संयंत्र स्थापित करने के लिए प्रोत्साहन को 12 कंपनियों की बोलियां पात्र पाई गई थीं। नौ जनवरी को जारी बयान में कहा गया है कि रिलायंस ग्रीन हाइड्रोजन एंड ग्रीन केमिकल्स लिमिटेड को तीन साल की औसत दर 18.9 रुपए प्रति किलो पर 90,000 टन ग्रीन हाइड्रोजन के उत्पादन के लिए प्रोत्साहन प्राप्त करने को लेकर चुना गया है। इसी प्रकार, एसीएमई क्लीनटेक सॉल्यूशंस प्राइवेट लिमिटेड और ग्रीनको जीरो सी प्राइवेट लिमिटेड को 90,000 टन उत्पादन के लिए तीन साल की औसत दर 30 रुपए प्रति किलो पर प्रोत्साहन मिलेगा। टॉरेंट पावर ने 28.89 रुपए प्रति किलोग्राम की औसत दर पर 18,000 टन क्षमता के लिए प्रोत्साहन प्राप्त किया है। जबकि एचएचपी टू प्राइवेट लिमिटेड ने 25.04 रुपए प्रति किलो की औसत दर पर 75,000 टन उत्पादन के लिए प्रोत्साहन प्राप्त किया है। वेलस्पन न्यू एनर्जी ने 20 रुपए प्रति किलो की दर से 20,000 टन हरित हाइड्रोजन के उत्पादन के लिए प्रोत्साहन को लेकर पात्रता हासिल की है। इसके अलावा, सीईएससी प्रोजेक्ट्स लिमिटेड, जेएसडब्ल्यू नियो एनर्जी और यूपीएल लिमिटेड भी हरित हाइड्रोजन के उत्पादन

के लिए प्रोत्साहन को लेकर पात्र पाई गई हैं।

कुल मिलाकर, इन नौ कंपनियों को बकेट-1 (लचीली प्रौद्योगिकी आधारित) 4,10,000 टन हरित हाइड्रोजन उत्पादन को लेकर संयंत्र स्थापित करने के लिए प्रोत्साहन को चुना गया है। सेम्बर्कोर्प ग्रीन हाइड्रोजन इंडिया प्राइवेट लि., अवादा ग्रीनएच2 प्राइवेट लि. और जीएच4इंडिया प्राइवेट लि. को कोई प्रोत्साहन नहीं मिला है।

सेम्बर्कोर्प ग्रीन हाइड्रोजन इंडिया ने तीन साल के औसत प्रोत्साहन के लिए



36 रुपए प्रति किलो की बोली लगाई थी। जबकि अवादा ग्रीनएच2 और जीएच4इंडिया प्राइवेट लिमिटेड ने क्रमशः 39 रुपए प्रति किलो और 40 रुपए प्रति किलो की बोलियां लगाई थीं। इसके अलावा, सार्वजनिक क्षेत्र की भारत पेट्रोलियम कॉर्पोरेशन लिमिटेड को बकेट-2 (बायोमास आधारित) के तहत 2,000 टन का उत्पादन के लिए संयंत्र स्थापित करने को लेकर 30 रुपए प्रति किलो की औसत दर से प्रोत्साहन प्राप्त करने हेतु चुना गया है।